CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

FEBRUARY 2, 2010

INVOCATION:
Rev. William Smith of Victory Harvest Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Orach led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Director of Community Development Appel, Acting Fire Chief Jones, Director of Utilities Sweet, Director of Public Works/City Engineer Whitehead, Director of Administrative Services Visé, Director of Recreation and Parks Posada, Police Commander Green, Accounting and Budget Manager Harvey, Planner III Halvorson, and Chief Deputy City Clerk Perez.

INTRODUCTION OF DIRECTOR OF ADMINISTRATIVE SERVICES
City Manager Ness introduced the City's new Director of Administrative Services, Rene Visé. Mr. Visé comes to Santa Maria from the City of Lompoc where he was the Management Services Director. Mr. Visé is a Santa Maria resident, has a strong background in finance, accounting, auditing, and public administration with over 20 years of experience. He received his Bachelor's Degree in Business Administration – Accounting from California State University, Fullerton, his Master's Degree in Public Administration from Golden Gate University, and obtained his Certified Public Accountant license. His professional memberships include the California Society of Municipal Finance Officers and the Government Finance Officers Association. We are delighted to welcome Rene to the Santa Maria team.

Rene Visé stated it was a privilege and honor to work for the City, and he hoped he would be able to help the City reach its goals. He introduced his wife and two daughters.

City Manager Ness commended Accounting and Budget Manager Mary Harvey for stepping in as Acting Director of Administrative Services. He thanked her for her expertise and hard work during the interim period.

PUBLIC COMMENT
Tom Davidson spoke about the City's lost revenues and asked how much of that lost revenue was due to illegal immigrants. He asked the Council to adopt an E-verify resolution.

Richard Dydell stated he had just learned that the H2-A program was going to be modified to make it more acceptable to all parties. He asked that the Mayor consider drafting a letter to Congresswoman Capps and Congressman Gallegly to support this program.

Larry Bargenquast spoke about the gang situation in Santa Maria and the recent gang forum. He talked about the letters to the editor in the Sunday newspaper. He did not see any reason for the bad mouthing and verbal attacks.

Gwen Wood commented that their group had offered several solutions that would help the illegal immigrant and gang problems including the 287(g) program and gang injunction; but their suggestions had been rebuffed by the City.

Paula James stated she appreciated the town hall meeting regarding the gang problem. She hoped there would be more in the future. She believed the Santa Maria Police Department was being proactive in trying to reduce crime in Santa Maria. She talked about the E-verify program and how important it was for businesses to use that program. She asked the Council to consider a resolution encouraging businesses to use E-verify.

CONSENT CALENDAR
Councilmembers Cordero, Patino, and Zacarías requested Item 3G be pulled for comment.

Item 3G – Supplemental Water Agreement
Councilmember Cordero asked staff to explain this item in more detail.

Director of Utilities Sweet explained that the item did two things required by the Litigation Stipulation Agreement. First, it raised the per acre cost of supplemental water by 20 percent to help cover the cost of the Twitchell Management Authority. Second, it expanded the area to be covered to include areas outside the Orcutt Community Plan area. It also authorized staff to implement the requirements of the Stipulation Agreement.

Councilmember Patino had no further comment.

Councilmember Zacarías asked if the expansion of service was part of the Stipulation Agreement.

Director of Utilities Sweet explained that it was to include the certificated service area of Golden State Water which included Lake Maria Estates and Sisquoc.

Councilmember Zacarías asked that any items dealing with the sale of water or expansion of the area be placed on the regular agenda rather than the Consent Agenda to make it more open to the public.

Consent Calendar Items A through G were approved on motion by Councilmember Orach, seconded by Councilmember Cordero, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of January 19, 2010, were approved as submitted.

C. WARRANTS
Warrant Nos. 156265 to 156562 totaling $4,085,315.77 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Acting Director of Administrative Services. Warrant Nos. 150851, 156136, 156329, and 156361 were cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Acting Director of Administrative Services.

E. PG&E EASEMENT
Resolution No. 2010-12 was adopted authorizing the Director of Public Works/City Engineer to execute a grant of easement to Pacific Gas & Electric Company (PG&E) across the new Transit Center property located at the southeast corner of Miller Street and Boone Street, Assessor's Parcel Number 125-150-005.

Resolution No. 2010-12 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE DIRECTOR OF PUBLIC WORKS/CITY ENGINEER TO EXECUTE A GRANT OF EASEMENT TO PG&E FOR A TEN-FOOT WIDE EASEMENT ACROSS THE TRANSIT CENTER PROPERTY.

F. ANNEXING AND ASSESSING
Resolution Nos. 2010-13, 2010-14 and 2010-15 were adopted annexing and assessing seven (7) parcels into the City's Landscape and Lighting Districts.

Resolution No. 2010-13 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ANNEXING AND AUTHORIZING THE ASSESSMENT OF LANDSCAPE MAINTENANCE FEES TO TACO BELL AND CROP PRODUCTION SERVICE BUILDING LOCATED IN THE NORTHWEST LANDSCAPE MAINTENANCE DISTRICT (STREET AND HIGHWAYS CODE SECTION 22500, ET. SEQ.)

Resolution No. 2010-14 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ANNEXING AND AUTHORIZING THE ASSESSMENT OF LANDSCAPE MAINTENANCE FEES TO ANITA'S SPIRIT GAS STATION, WINDSET FARMS, AND BETTERAVIA BUSINESS PARK LOCATED IN THE SOUTHWEST LANDSCAPE MAINTENANCE DISTRICT (STREET AND HIGHWAYS CODE SECTION 22500, ET SEQ.)

Resolution No. 2010-15 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ANNEXING AND AUTHORIZING THE ASSESSMENT OF LANDSCAPE MAINTENANCE FEES TO CIRCLE K AND DONOVAN RESTAURANT AND AUTO REPAIR LOCATED IN THE NORTHEAST LANDSCAPE MAINTENANCE DISTRICT (STREET AND HIGHWAYS CODE SECTION 22500, ET SEQ.)

G. SUPPLEMENTAL WATER AGREEMENT
Resolution No. 2010-16 was adopted approving a Supplemental Water Agreement to supersede the existing agreements with Orcutt Community Developers to provide up to 900 Acre Feet (AF) of supplemental water annually to satisfy the Orcutt Community Plan (OCP); increase the per AF cost of supplemental water; provide for water sales for new urban uses; hold and release deposits for the agreements on behalf of Golden State Water Company; and ratify authority to implement the terms outlined in the Litigation Stipulation.

Resolution No. 2010-16. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, TO SUPERSEDE THE SUPPLEMENTAL WATER AGREEMENTS TO THE ORCUTT COMMUNITY DEVELOPERS AND RATIFY AUTHORITY TO IMPLEMENT THE SANTA MARIA GROUNDWATER LITIGATION STIPULATION.

GENERAL PLAN AMENDMENT AND ZONE CHANGE FOR RICE DEPOT MERCADO LOCATED WEST OF SOUTH DEPOT STREET, NORTH OF MORRISON AVENUE AND EAST OF THE SANTA MARIA VALLEY RAILROAD, GPZ-2008-003, PD-2009-003, E-2008-011.

Planner III Halvorson gave the staff report. The City Council is asked to consider a recommendation from the Planning Commission regarding a mitigated negative declaration of environmental impact, amendments to the General Plan (Land Use Policy Map) to change a 4.40 acre portion of a 6.04 acre site from HCM (Heavy Commercial Manufacturing) to CC (Community Commercial) and a Zone Change for the 6.04 acre site from CM (Commercial Manufacturing) to 4.40 acres of PD/C-2 (Planned Development/General Commercial) and 1.64 acres of PD/CM (Planned Development/Commercial Manufacturing) for Rice Depot Mercado. The project would include 48,425 square feet of general commercial (including retail, restaurant and office), 10 residential apartment units and 2 commercial manufacturing buildings totaling 17,426 square feet. Impacts have been analyzed in a Mitigated Negative Declaration (E-2008-011) prepared for GPZ-2008-003. Due to the existing industrial uses to the north, the applicant decided to keep the northern portion of the project site industrially zoned. The applicant believes the surrounding area is underserved for general commercial uses and is in need of a neighborhood grocery store and supporting services such as office and retail uses.

At its regular meeting on December 16, 2009, the Planning Commission adopted Resolution Nos. 2559 and 2560 on a 4-0-1 vote (Commissioner Quandt abstained) recommending the City Council approve the Mitigated Negative Declaration, adopt the mitigation monitoring program, and approve the General Plan Amendment and Zone Change.

Mayor Lavagnino opened the public hearing.

Laurie Tamura, Urban Planning Concepts, gave an overview of the project, its amenities and the lack of adequate shopping and services in the area. She thanked staff for its work on the project.

Councilmember Zacarías stated this was a great project. She asked about the retention basin and the safety features that would be included for the times water would be in the basin. She also asked about safety issues with the railroad bisecting the industrial portion of the project and if the industrial buildings could be a little bit more aesthetically pleasing to match the commercial part of the project.

Ms. Tamura stated that water would only be in the basin for approximately 24 hours at a time, and the basin would be shallow. They did not want to fence the basin for aesthetic reasons. There would be a bus stop right in front of it, and there would be people living there to keep an eye on the project. There would be fencing along the railroad tracks except where it intersected the industrial buildings, so it would be accessible to the industrial uses. As far as the metal industrial buildings, they were similar to the other industrial buildings in the area and designed to fit into the area.

Councilmember Orach asked about the Morrison and Depot traffic situation and particularly the intersection of Morrison which was heavily traveled.

Ms. Tamura stated because of the change of use, they were required to do an extensive traffic study. This area was considered to be a contained community as there was not a lot to build-out. This project would benefit the outlaying areas and keep people in the area for shopping. The study showed the traffic would stay close to what it was now. The City had the ability through Growth Mitigation Fees to install a traffic signal in the future if warranted.

Director of Public Works/City Engineer Whitehead explained that the City would be doing a pedestrian count in the very near future for that area. One way or another, the installation of a traffic signal would be paid for by Growth Mitigation Fees when it was warranted.

Councilmember Patino stated she was also concerned about that crossing there. She asked if the Safe Routes to School would be applicable to this project. She asked if there would be a median on Depot because of the four driveways close together.

Director Whitehead explained that if necessary in the future, left-turn only from the driveways could be required.

Councilmember Cordero stated there would be a lot of pedestrian traffic with three schools in the area. He said kids tend to take shopping carts out of these types of developments and asked if there was any way to prevent that.

Ms. Tamura stated the commercial units would be relatively small and probably would not have a lot of shopping carts.

Planner Halvorson explained that they could require a shopping guard for this project similar to the one at Food Co. and Food Max if it became a problem.

Tony Cochiolo stated he supported this project. It was a fantastic project for co-existence with the existing industrial uses in the area.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Councilmember Cordero stated this was a very well thought out project. The basin on Depot would also increase visibility for traffic.

Councilmember Patino stated there was currently no fencing along the railroad. She thought this was a great project.

Resolution No. 2010-17 was adopted approving the Mitigated Negative Declaration of Environmental Impact for E-2008-011, on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-17 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE MITIGATED NEGATIVE DECLARATION E-2008-011 FOR THE RICE DEPOT MERCADO PROJECT GENERAL PLAN (LAND USE) AMENDMENT AND ZONE CHANGE GPZ-2008-003, WEST OF SOUTH DEPOT STREET, NORTH OF MORRISON AVENUE AND EAST OF THE SANTA MARIA VALLEY RAILROAD, ASSESSOR'S PARCEL NUMBERS 123-150-003, 123-150-004, AND 123-150-014.

Resolution No. 2010-18 was adopted approving a General Plan Amendment for a 4.40 acre portion of the Rice Depot Mercado Project from HCM (Heavy Commercial Manufacturing) to CC (Community Commercial), on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-18 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A GENERAL PLAN (LAND USE) AMENDMENT FOR THE RICE DEPOT MERCADO PROJECT, WEST OF SOUTH DEPOT STREET, NORTH OF MORRISON AVENUE AND EAST OF THE SANTA MARIA VALLEY RAILROAD, ASSESSOR'S PARCEL NUMBERS 123-150-003, 123-150-004, AND 123-150-014, 6.04 ACRES (FILE NO. GPS-2008-003).

Ordinance No. 2010-01 was introduced by title only for first reading and continued to the next meeting for second reading and adoption rezoning property for the Rice Depot Mercado Project from CM (Commercial Manufacturing) to 4.40 acres of PD/C-2 (Planned Development/General Commercial) and 1.64 acres of PD/CM (Planned

Development/Commercial Manufacturing) on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2010-01 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, REZONING PROPERTY FOR THE RICE DEPOT MERCADO PROJECT, WEST OF SOUTH DEPOT STREET, NORTH OF MORRISON AVENUE AND EAST OF THE SANTA MARIA VALLEY RAILROAD, ASSESSOR'S PARCEL NUMBERS 123-150-003, 123-150-004, AND 123-150-014, 6.04 ACRES (FILE NO. GPZ-2008-003).

TENTATIVE TRACT MAP FOR LA VIGNA II, LOCATED NORTH OF MARSALA AVENUE AND SONYA LANE, SOUTH OF BATTLES ROAD, EAST OF WESTGATE ROAD AND WEST OF BLOSSER ROAD, TRACT 5964.

Planner III Halvorson gave the staff report. The City Council is asked to consider a recommendation from the Planning Commission regarding a tentative tract map that would create 118 residential lots and 1 common lot on a 13.4 acre parcel. The residential lots range in size from 2,932 square feet to 5,895 square feet. The zoning of the site is PD/R-2 (Planned Development/Medium Density Residential). On February 15, 2005, the City Council approved a subdivision map for the La Vigna project. A Planned Development Permit for the construction of 142 single family detached homes was approved by the Planning Commission on February 16, 2005. A total of 22 single family homes were built under these previous approvals. In addition, utilities, private internal streets, street lighting, perimeter walls, and common open space amenities were built on the site. However, due to market conditions, the applicant is now proposing a new subdivision map for the remaining 13.4 acres of the 17-acre site. Although tentative maps are normally approved by the Planning Commission, the City Council must approve maps with lot sizes that do not meet the minimum standard of 6,000 square feet required in the R-2 zoning district.

At its regular meeting on January 6, 2010, the Planning Commission adopted Resolution No. 2561 recommending that the City Council approve the tentative map on a 4-0-1 vote (Commissioner Andrade was absent).

Mayor Lavagnino opened the public hearing.

Michael Towbes, applicant/owner for the project, gave an overview of the project and the changes to this project from the previously approved subdivision.

Murray Duncan, architect for the project, highlighted the floor plans and elevations for the project.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Resolution No. 2010-19 was adopted approving the Tentative Tract Map for La Vigna II, Tract 5964, on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-19 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE TENTATIVE MAP FOR LA VIGNA II, TRACT 5964, NORTH OF MARSALA AVENUE, SOUTH OF BATTLES ROAD AND EAST OF WESTGATE ROAD.

FINANCIAL REPORT FOR SECOND QUARTER ENDING DECEMBER 31, 2009.
Accounting and Budget Manager Harvey gave the staff report. She highlighted the economic condition of the nation and the State of California. Santa Maria's unemployment rate is at 14.4 percent. While the City of Santa Maria is known to be fiscally responsible and live within its means, problems at the National and State level continue to severely impact City finances and it appears that recovery will be very slow. The City continues to experience a decline in sales tax revenues, decreases in property tax values, and State raids on local revenues.

With 50 percent of the year complete, revenues are at 31.2 percent of projections while expenditures are at 45.8 percent of appropriations. Total revenue and transfers are $16.6 million. Total revenues and transfers are less than budgeted and $2.4 million less than last year. If the decline in revenues continues for the remaining two quarters, total General Fund revenues could come in as much as $1.5 million less than anticipated. This is alarming given the fact that going into this fiscal year, revenues were already reduced $2.9 million. Expenditures are approximately $1.6 million less than the prior year. Though the expenditures are below 50 percent, departments are being encouraged to make a concerted effort to reduce all expenditures for the remainder of 2009-10. Due to the shortfall in revenues, it is highly likely the City will have to use its one-time reserves to finance ongoing operating expenditures this fiscal year. In the Water/Wastewater Fund, expenditures exceeded revenues by $17.4 million, primarily because of the wastewater treatment plant expansion project and payments for State Water. In the Solid Waste Fund, refuse expenditures exceeded revenues by $2.6 million. The $4.4 million of capital projects is responsible for the second quarter loss. However, current reserves in the Solid Waste Fund are sufficient to cover the planned negative cash flow.

Councilmember Orach stated you hear daily that recovery was going to be slow. Staff had done a great job of containing expenditures. He commended staff on the expansion of the Wastewater Treatment Plant.

Councilmember Patino stated it was extremely important that the City remain fiscally responsible. She thanked all the City employees for helping the City in these economic times.

Councilmember Zacarías asked what the net projected revenue shortfall was, and what the impact would be if any additional cuts had to be made for this fiscal year.

Ms. Harvey stated right now staff was projecting about $1.5 million additional shortfall in revenue for the end of the fiscal year based on the latest sales tax revenue projections. For next year, staff was projecting about $4 million in lost sales tax for next fiscal year. They were just getting those numbers in from the consultants.

Council received and filed the report.

CITY MANAGER'S REPORT
City Manager Ness reported on anticipated items for the February 16, 2010, City Council meeting including a public hearing for the Santa Maria Freeway Center General Plan Amendment and Zone Change, as well as appointments to the All-America City Committee and Landmark Committee and a resolution requested by the Santa Barbara County Association of Governments (SBCAG) supporting the US 101 Widening Project.

ORAL REPORTS BY COUNCILMEMBERS
Councilmember Cordero reported he attended the Fire Appreciation Dinner at the Elks Lodge, a United Way meeting, the gang injunction town hall meeting, a Future Search meeting, a meeting at Good Samaritan Shelter, a Census Bureau meeting, and the City Employees Award Dinner.

Councilmember Patino reported she attended the Fire Appreciation Dinner, the town hall meeting on gang injunctions, a Peace Week meeting, a fundraiser for the Santa Maria Racing Team, the City Employees Award Dinner, a People's Self-Help Housing discussion, and the Hispanic Business Committee meeting.

Mayor Lavagnino reported he also attended the Fire Appreciation Dinner at the Elks, a Santa Barbara County Association of Governments meeting, an Air Pollution Control District meeting, the town hall meeting regarding gangs, the 2010 Census Kick-off, the Community Action Commission open house, the City Employees Awards Dinner, spoke at the Santa Maria Valley Historical Society Dinner, and was a judge for the Guinness Book of World Records Jumping Rope Contest.

Councilmember Zacarías reported she attended the same events as the other Councilmembers and that Saturday was the opening of the Volunteer Income Tax Program which she would be participating in.

Councilmember Orach reported he also attended all the same events.

CLOSED SESSION
The City Council recessed to a Closed Session at 8:02 p.m. to discuss Conference with Legal Counsel - regarding Existing Litigation pursuant to Subsection (a) of Government Code Section 54956.9 for Santa Maria Police Officers Association v. City of Santa Maria, Case No. 1318327, and Conference with Legal Counsel – regarding Anticipated Litigation pursuant to Subdivision (c) of Government Code Section 54956.9 (1 matter).

After the Closed Session, the following report was given:

Conference with Legal Counsel – Santa Maria Police Officers Association v. City of Santa Maria (Case No. 1318327) – A status report was given.

Conference with Legal Counsel – Anticipated Litigation (1 matter) – Direction to staff was given.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 8:25 p.m. by Mayor Lavagnino.

APPROVED

February 16, 2010
Date

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST

Chief Deputy City Clerk

Mayor of the City of Santa Maria